Commodity	Percentage Increase
Iron Ore	6.18%
Coal (Indigenous+Imported)	30-62%
Limestone	12-22%
Dolomite	6-55%
Ferro Mn.	14-66%

SOURCE: SAIL

Directive for steel prices

1991. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Government have asked the steel industry not to increase the steel prices; and

(b) if so, what are the factors attributed to this directive?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) No, Sir. In a deregulated environment, prices are determined by the free interplay of forces of demand and supply. Government does not intervene in the market to influence prices.

Disinvestment of Rashtriya Ispat Nigam

1992. SHRI K. RAMA MOHANA RAO: Will the Minister of STEEL be pleased to state:

(a) whether there is any proposal before Government for disinvesting Rashtriya Ispat Nigam;

(b) if so, the reasons therefor;

(c) the turnover of the Rashtriya Ispat Nigam Ltd. during the last four years, year-wise; and

(d) the profit/loss of Rashtriya Ispat Nigam during the last four years, year-wise?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) Yes, Sir.

(b) The proposal for disinvestment in RINL is based on the recommendations of Disinvestment Commission contained in its XIIth Report which are as follows:-

(i) the entire accumulated losses of the Company of Rs. 4065.30 crores as on 31.03.1999 should be written off by the Government against its entire share money pending allotment and preference share capital and a part of the equity capital to clean up its balance sheet and keep the company from being referred to BIFR; and

(ii) simultaneously to initiate process of disinvestment of not less than 51% of its remaining equity holding in RINL to a strategic buyer. In view of the strengths of the plant, the Commission feels that the investor interest in acquiring RINL after the balance sheet is cleaned up. The selection of strategic buyer should be done through global competitive bidding by pre-qualification of bidders.

Disinvestment Commission has given the following reasons for their above mentioned recommendations:-

(i) The Disinvestment Commission classified RINL as non-core and opined that no public purpose would be served retaining RINL under Government ownership.

(ii) Steel Industry in India is completely decontrolled with the presence of large number of private producers. Imports are freely permitted with declining import duties. Hence, the Steel market is fully contestable not only *vis-a-vis* Indian producers but also other steel majors in the world. The public sector steel industry in India would, therefore, have to compete in the highly competitive and technology/market driven international steel sector. Since public sector form of management does not allow such flexibility/investments it would be advisable to disinvest majority Government equity in RINL.

(iii) RINL has distinct advantages of its location, layout, technology and should be an ideal steel plant in India for

steel majors in the world to invest in. With proper restructuring the plant can be converted into a 10 million tonne export oriented plant by one of the international steel majors.

(iv) The next steel upturn is expected in 2002 and plant should be disinvested looking at the time of the next steel upturn.

(v) The Disinvestment Commission felt that the company needed substantial financial support from Government of India for financial restructuring and expansion and that as this would involve huge cash, outflow from Government, this would not be justified and is avoidable. It was further of the view that capital expansion in the steel plant would be more expensive in terms of time and money if undertaken while remaining under Government of India control.

(c) and (d) The turnover and profit/loss of Rashtriya Ispat Nigam during the last four years, year-wise are as under:

(Rs. In crores)

Item	1999-2000	2000-01	2001-02	2002-03
Turnover	2973	3436	4081	5059
Net Profit	-562	-291.30	-75	521

Profits of VSP

1993. DR. ALLADI P. RAJKUMAR: Will the Minister of STEEL be pleased to state:

(a) whether Vizag Steel Plant of Rashtriya Ispat Nigam Limited has shown profit since 2002-03;

(b) if so, the profit earned this year;

(c) whether plant was running in loss prior to that; and

(d) if so, what was the figure of loss in the previous year?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) Yes, Sir.